

**DEPARTMENT OF REAL ESTATE**

PO Box 187000

Sacramento, CA 95818-7000

916 227-0770



December 24, 2008

David R. Medlin, Attorney  
One Kaiser Plaza, Suite 1305  
Oakland, CA 94612

Re: Advance Fee Agreement

This letter will acknowledge our receipt of the advance fee agreement, accounting format and advertising submitted on behalf of Cal Coast Financial Corporation on December 10, 2008.

The Department has no objection to the broker's use of the advance fee agreement, accounting format and advertising as submitted.

Please note that any changes to the agreement or the accounting format must be submitted to the Department for review before it is used. Any promotional materials that you may subsequently wish to use will require our prior review, as well.

This letter does not constitute, nor may you make any representation that the Department of Real Estate has endorsed or approved any aspect of your business activities.

Sincerely,

Sylvia I. Yrigollen  
Senior Deputy Commissioner  
Advance Fee Review Section

C: Cal Coast Financial Corp  
Roger Rajiv Bakshi, Designated Officer  
39355 California Street #300  
Fremont, CA 94538

## LOAN MODIFICATION AGREEMENT

This Loan Modification Agreement ("Agreement") is made on \_\_\_\_\_, by and between Cal Coast Financial Corporation, a California corporation ("Cal Coast Financial") and \_\_\_\_\_ (individually and collectively, "Client"). The purpose of this Agreement is to set forth a specific and complete description of all services to be provided by Cal Coast Financial to Client, and to set forth all fees to be charged by Cal Coast Financial for such services.

### Article 1. Description of Services and Fees

**Section 1.01. Services to Be Provided by Cal Coast Financial.** Cal Coast Financial will use its best efforts to assist Client in preparing and submitting to Client's Mortgage Lender, as that term is defined below, such information and materials as Client's Mortgage Lender may require in order to consider offering Client a "Modification," as that term is described herein, of Client's "Mortgage Loan." The term Mortgage Loan shall mean and refer to the following loan:

Client's Mortgage Lender: \_\_\_\_\_

Mortgage Lender's Address: \_\_\_\_\_

Mortgage Lender's Loan Account Number: \_\_\_\_\_

Approximate Loan Balance: \$ \_\_\_\_\_

Address of Client's Real Property: \_\_\_\_\_

*Street Address*

\_\_\_\_\_  
*City, State and Zip Code*

**Section 1.02. No Obligation Consultation.** At no obligation, Cal Coast Financial, will determine whether Client's Mortgage Lender engages in loan modifications. If so, Cal Coast Financial will assist Client in assessing whether Client may qualify for a loan modification, in accordance with such lender's requirements and guidelines. Such assistance and assessment is made by reviewing Client's income documentation, including tax returns and pay stubs. Cal Coast Financial will then prepare a financial worksheet as to Client's current financial status according to Client's Mortgage Lender's specific requirements. If Cal Coast Financial determines that Client's Mortgage Lender will not offer loan modifications, or if it is determined that Client will not qualify for a loan modification, or if for any reason Client does not wish to proceed, Client will owe no fee

to Cal Coast Financial, which will then terminate its services and no fee shall be due to, or collected by, Cal Coast Financial.

The services described in this Section 1.02 shall be provided and concluded on or before \_\_\_\_\_, *(insert date which is 10 days after the date Agreement is entered into)*.

**Section 1.03. Deposit of Fees to Client Trust Account.** If, upon conclusion of the No Obligation Consultation described in the preceding Section 1.02, Client wishes for Cal Coast Financial to provide any additional services, then Client shall be required to deposit the sum of Three Thousand Nine Hundred Ninety Five Dollars (\$3,995.00) with Cal Coast Financial. Said sum shall be due on \_\_\_\_\_, *(insert date which is 10 days after the date Agreement is entered into)*. Said sum shall be deposited into the Cal Coast Financial Client Trust Account number 02953277 with Fremont Bank, 39150 Fremont Boulevard, Fremont, CA 94538.

**Notice: The amount or rate of fees specified in this agreement for services is not fixed by California law. Fees are set by each broker individually and are subject to negotiation between the client (principal) and the broker.**

\_\_\_\_\_  
*Client Initials*

\_\_\_\_\_  
*Client Initials*

**Section 1.04 Loan Modification Package Submission.** If Client's Mortgage Lender engages in loan modifications, if there is a reasonable expectation that Client may qualify for a loan modification, and if Client desires to engage Cal Coast Financial, Cal Coast Financial will work with Client to assist Client to understand the loan modification process and to assemble and complete all documentation, forms and information needed for Client's Mortgage Lender to consider offering Client a Modification. This includes:

- Review the loan modification process with Client, including possible workout options
- Review and analyze Client's relevant financial records, including pay stubs, bank statements, and income tax records
- Prepare financial worksheet with Client's monthly income and debts
- Determine current market value of Client's Real Property
- Preparation of hardship letter for Client
- Compile documents and information needed for Loan Modification Package
- Submission of Loan Modification Package to Client's Mortgage Lender
- Follow up with Client's Mortgage Lender, as needed

All of the services described in this Section 1.04 shall be provided and concluded on or before \_\_\_\_\_, *(insert date which is 30 days after the date Agreement is entered into)*.

Upon completion of the services described in Section 1.04 above, a fee of One Thousand Four Hundred Ninety Five Dollars (\$1,495.00) shall have been earned by Cal Coast Financial. By signature below, Client authorizes and agrees that Cal Coast Financial shall pay itself from Client's funds held in the Cal Coast Financial Client Trust Account. However, no payment shall be made until at least five (5) days after Cal Coast Financial has provided Client with a verified accounting as described in Section 1.07 below.

**Section 1.05. Follow-up with Client's Mortgage Lender.** After the submission of a Loan Modification Package as described in the preceding Section 1.04, Cal Coast Financial will work with Client's Mortgage Lender, staying in regular contact with both Client and Client's Mortgage Lender, until Client's Mortgage Lender makes a final decision with respect to the request for a Modification. This will include:

- Regular contact with Client's Mortgage Lender and Client
- Securing additional information and documentation, as needed, by Client's Mortgage Lender
- Review with Client the pros/cons of any modification/workout resolution offered by Client's Mortgage Lender
- Assess, with Client, Client's financial ability for repayment of Client's Mortgage Loan, if modified per offered terms
- Secure Client's notarized signatures, as necessary, on any Loan Modification Agreement accepted by Client

"Modification," as used herein, shall mean a workout solution and/or outcome reached with Client's Mortgage Lender, including but limited to any one or more of the following:

- a. securing a reduced or fixed interest rate on Client's Mortgage Loan; or,
- b. securing a conversion of a fixed interest rate to an adjustable rate, either temporarily or permanently; or,
- c. securing a principal reduction on Client's Mortgage Loan; or,
- d. securing elimination, reduction or alternative payment obligations, or securing a repayment plan or some form of forbearance or workout arrangement, for any payment obligations on Client's Mortgage Loan which are past due.

All of the services described in this Section 1.05 shall be provided and concluded on or before \_\_\_\_\_, (*insert date which is 90 days after the date Agreement is entered into*).

Upon completion of the services described in this Section 1.05, a fee of Two Thousand Five Hundred Dollars (\$2,500.00) shall have been earned by Cal Coast Financial, if and only if, Client's Mortgage Lender offers Client: (a) a reduced or fixed interest rate on Client's Mortgage Loan; or, (b) a conversion of a fixed interest rate to an adjustable rate, either temporarily or permanently, on Client's Mortgage Loan; or, (c) a principal reduction on Client's Mortgage Loan; or, (d) elimination,

reduction or alternative payment obligations, or a repayment plan, or some form of forbearance or workout arrangement, for any payment obligations on Client's Mortgage Loan which are past due. By signature below, Client authorizes and agrees that Cal Coast Financial shall pay itself from Client's funds held in the Cal Coast Financial Client Trust Account. However, no payment shall be made until at least five (5) days after Cal Coast Financial has provided Client with a verified accounting as described in Section 1.07 below.

**Section 1.06. Refund of Fees.** Fees not earned by Cal Coast Financial in accordance with the terms of this Agreement, shall be refunded to Client, without cost or deduction of any kind.

**Section 1.07. Verified Accounting.** Cal Coast Financial shall provide Client with verified accountings of the disposition of Client's funds from the Cal Coast Financial Client Trust Account. Such verified accountings will be provided at least once each quarter and again when Cal Coast Financial has completed all services to be performed by it pursuant to this Agreement. Each accounting shall be in the form of Exhibit B attached hereto, and shall provide the following information:

1. Client's name;
2. The name of each Cal Coast Financial agent who has provided services to Client pursuant to this Agreement;
3. a description of services provided by Cal Coast Financial to date;
4. identification of the Cal Coast Financial Client Trust Account into which Client's funds have been deposited;
5. that \$ 3,995 was collected from Client on \_\_\_\_\_ (*insert date deposit received from Client pursuant to Section 1.03*); and,
6. a description of all disbursements of Client's funds from the Cal Coast Financial Client Trust Account, including the date of each such disbursement and the recipient thereof.

**Section 1.08 Term.** Client may terminate this Agreement, at any time, with or without cause. This Agreement shall automatically terminate on \_\_\_\_\_, (*insert date which is 90 days after the date Agreement is entered into*). Upon termination of this Agreement, for any reason, any and all unearned funds shall be refunded to Client, without cost or deduction of any kind.

## **Article 2. Services Which are Not Covered by this Agreement**

**Section 2.01. Mortgage Brokerage Services.** By signature below, Client acknowledges that the services to be provided by Cal Coast Financial pursuant to this Agreement are limited to those services specifically set forth in Article 1. Should Client elect to utilize the mortgage

brokerage services of Cal Coast Financial in connection with the making or arranging of a mortgage loan, any such mortgage brokerage services would not be covered by this Agreement and would be the subject of a separate and different agreement, including a separate and different fee arrangement.

**Section 2.02. Real Estate Brokerage Services.** By signature below, Client acknowledges that the services to be provided by Cal Coast Financial pursuant to this Agreement are limited to those services specifically set forth in Article 1. Should Client elect to utilize the real estate brokerage services of Cal Coast Financial in connection with the listing, selling and/or purchase of real property, including but not limited to Client's Real Property, any such real estate brokerage services would not be covered by this Agreement and would be the subject of a separate and different agreement, including a separate and different fee arrangement.

### **Article 3. Cooperation of Client**

**Section 3.01. Full Disclosure.** By signature below, Client represents and warrants to Cal Coast Financial that all information provided by Client to Cal Coast Financial has been, and shall be, in all respects true and correct, to the best of Client's knowledge and belief.

**Section 3.02. Contact Information.** At all times during the term of this Agreement, Client agrees to keep Cal Coast Financial fully informed of Client's contact information, including telephone number, e-mail address if available, and current home and mailing addresses.

### **Article 4. Dispute Resolution**

**Section 4.01. Binding Arbitration.** Arbitration is the referral of a dispute to one or more impartial persons for final and binding determination. It is private and informal, designed for quick, practical, and inexpensive settlements. Arbitration is an orderly proceeding, governed by the rules of procedure and standards of conduct prescribed by law. It is agreed by Cal Coast Financial and Client as follows:

a. Any controversy or claim arising out of or relating to this Agreement and/or the relationship by and between Client and Cal Coast Financial, shall be resolved by binding arbitration. The arbitration shall be conducted in the county where the Real Property is located, before a sole arbitrator in accordance with the laws of the State of California. The arbitration shall be administered by JAMS pursuant to its Streamlined Arbitration Rules and Procedures. Judgment upon any award rendered by such arbitrator shall be binding and final and may be entered in any court of competent jurisdiction.

b. Client has been advised, understands and agrees that this "Binding Arbitration" provision is intended to bar and has the legal effect of barring any suit in the courts, with the exception of the enforcement of an arbitrator's award or judgment, between Client and Cal Coast Financial and effectively constitutes a waiver of the right to trial by jury.

c. Cal Coast Financial agrees to pay the arbiter's fee, if and when required by law to do so.

**I/WE HAVE READ AND UNDERSTAND THE FOREGOING NOTICE AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "BINDING ARBITRATION" PROVISION TO NEUTRAL BINDING ARBITRATION.**

Client

Cal Coast Financial

By: \_\_\_\_\_  
*Client signature*

By: \_\_\_\_\_  
Roger Bakshi,  
Broker/Officer

Client

By: \_\_\_\_\_  
*Client signature*

#### **Article 5. Miscellaneous**

**Section 5.01. Applicable Law.** This Agreement shall be governed by and construed under the laws of the State of California, without regard to its conflicts of laws principles.

**Section 5.02. Amendment.** Except as set forth herein, this Agreement may not be amended or modified orally and no provision of this Agreement may be waived or amended except in a writing which makes reference to this Agreement and which is signed by Client and Cal Coast Financial.

**Section 5.03. Invalid or Ineffective Provision.** If any provision in this Agreement is determined to be invalid, illegal, or otherwise unenforceable, that determination will not affect any other provision of this Agreement. The invalid provision will be severed from this Agreement and all remaining provisions will continue to be of full force and effect.

**Section 5.04. Execution in Counterparts and Facsimile Copies.** This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same instrument. It is agreed that a signed copy of this Agreement transmitted by facsimile transmission shall be binding upon the sending party to the same extent as a signed original of this Agreement.

**Section 5.05. Authority to Contract and Bind.** The undersigned persons each represent that he/she is authorized and has the legal capacity to enter into this Agreement.

Notice: California Civil Code Section 2945.4 prohibits any real estate licensee from claiming, demanding, charging, collecting or receiving any compensation from a person whose residence is in foreclosure until all of the promised services have been fully performed and completed. DO NOT SIGN THIS AGREEMENT IF A NOTICE OF DEFAULT HAS BEEN RECORDED AGAINST THE PROPERTY.

\_\_\_\_\_  
*Client Initials*

\_\_\_\_\_  
*Client Initials*

CLIENT (PRINCIPAL/PROPERTY OWNER) CERTIFIES THAT A NOTICE OF DEFAULT HAS NOT BEEN RECORDED AGAINST THE PROPERTY.

\_\_\_\_\_  
*Client Initials*

\_\_\_\_\_  
*Client Initials*

This Agreement is to be performed at Fremont, California.

**AGREED AND ACCEPTED:**

Dated: \_\_\_\_\_

Cal Coast Financial

\_\_\_\_\_  
Roger Bakshi,  
Broker/Officer

**AGREED AND ACCEPTED:**

Dated: \_\_\_\_\_

Client

\_\_\_\_\_  
*Client Signature*

\_\_\_\_\_  
*Print Client Name*

**AGREED AND ACCEPTED:**

Dated: \_\_\_\_\_

Client

\_\_\_\_\_  
*Client Signature*

\_\_\_\_\_  
*Print Client Name*



**Exhibit A**  
**Advance Fee Summary**

As set forth in the preceding Agreement, Cal Coast Financial agrees to:

Assess whether Client's Mortgage Lender engages in loan modifications. If so, assist Client in assessing whether Client may qualify for a loan modification, in accordance with such lender's requirements and guidelines. Such assistance and assessment is made by reviewing Client's income documentation and by preparing a financial worksheet as to Client's current financial status.

If Client's Mortgage Lender will not engage in loan modifications; or,  
If it is determined that Client will not qualify for a loan modification; or,  
If for any reason Client does not wish to proceed, Client will owe no fee to Cal Coast Financial, which will then terminate its services

If, upon conclusion of the consultation described above and in Section 1.02, Client wishes for Cal Coast Financial to provide any additional services, then Client shall be required to deposit the sum of Three Thousand Nine Hundred Ninety Five Dollars (\$3,995.00) into the Cal Coast Financial Client Trust Account identified in Section 1.03. Thereafter, Cal Coast Financial agrees to provide the following services, in accordance with and pursuant to the preceding Agreement:

If Client's Mortgage Lender engages in loan modifications, if there is a reasonable expectation that Client may qualify for a loan modification, and if Client desires to engage Cal Coast Financial, Cal Coast Financial will work with Client to understand the loan modification process and to assemble and complete all documentation, forms and information needed for Client's Mortgage Lender to consider offering Client a Modification, all as set forth in Section 1.04 above. Once completed, Cal Coast Financial will submit a Loan Modification Package to Client's Mortgage Lender.

\$ 1,495.00

After the submission of a Loan Modification Package as described above and in Section 1.04, Cal Coast Financial will work with Client's Mortgage Lender, staying in regular contact with both Client and Client's Mortgage Lender, until Client's Mortgage Lender makes a final decision with respect to the request for a Modification, all as set forth in Section 1.05 above. An offer from Client's Mortgage Lender of any of the following will constitute a Modification:

As to (a), (b), (c) or (d) as set forth on following page:

\$ 2,500.00

- a. a reduced or fixed interest rate on Client's Mortgage Loan; or,
- b. a conversion of a fixed interest rate to an adjustable rate, either temporarily or permanently, on Client's Mortgage Loan; or,
- c. a principal reduction on Client's Mortgage Loan; or,
- d. elimination, reduction or alternative payment obligations, or a repayment plan, or some form of forbearance or workout arrangement, for any payment obligations on Client's Mortgage Loan which are past due.

**Total Potential Fee**

**\$ 3,995.00**

We have read, understood and agreed to the preceding Exhibit A - Advance Fee Summary.

**AGREED AND ACCEPTED:**

**AGREED AND ACCEPTED:**

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
*Client Signature*

\_\_\_\_\_  
*Client Signature*

\_\_\_\_\_  
*Print Client Name*

\_\_\_\_\_  
*Print Client Name*

**Exhibit B**  
**Advance Fee Accounting**

Dated: \_\_\_\_\_

1. Client: \_\_\_\_\_

Client: \_\_\_\_\_

2. Name of Cal Coast Financial agent(s) providing services:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Description of services provided by Cal Coast Financial to date:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Lender Name \_\_\_\_\_

Lender Address \_\_\_\_\_

\_\_\_\_\_

Loan Account Number \_\_\_\_\_

Date Loan Modification Package submitted: \_\_\_\_\_

4. Identification of the Cal Coast Financial Client Trust Account into which Client's funds have been deposited:

Cal Coast Financial Client Trust Account # 02953277 located at:

Fremont Bank  
39150 Fremont Boulevard  
Fremont, CA 94538

5. The total amount of funds collected from Client is \$ 3,995.00.

6. Description of all disbursements of Client's funds from the Cal Coast Financial Client Trust Account, including the date of each such disbursement and the recipient thereof:

<b>Date</b>	<b>Recipient</b>	<b>Amount</b>
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<b>Balance/Refund</b>	<b>\$</b> _____
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I attest that the above accounting is true and correct.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2008 at Fremont, California.

\_\_\_\_\_  
Roger Bakshi,  
Broker/Officer

**BORROWER AUTHORIZATION**

Dated: \_\_\_\_\_

To: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Pursuant to the provisions of California Civil Code Section 2923.5(f), the undersigned do hereby appoint Cal Coast Financial Corporation, acting by and through its employees, staff, attorneys and agents, as the authorized agent of the undersigned, to act on behalf of the undersigned, with respect to loan negotiation, modification and/or forbearance services concerning the following real property:

\_\_\_\_\_

\_\_\_\_\_

As necessary to carry out the above, Cal Coast Financial Corporation, acting by and through its employees, staff, attorneys and agents, is expressly authorized, on behalf of the undersigned, to:

1. Communicate with my creditors, obtain any information regarding my accounts or debts that I may owe, including for example the account balances, payment history, verification of the account and any other information necessary to allow Cal Coast Financial Corporation to evaluate and formulate settlement or payment offers on my behalf.

2. Make good faith settlement or payment offers on my behalf.

This authorization shall expire six (6) months from the date above unless rescinded in writing prior to that date.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Print Name*

\_\_\_\_\_  
*Print Name*

\_\_\_\_\_  
*Social Security Number*

\_\_\_\_\_  
*Social Security Number*

\_\_\_\_\_  
*Date of Birth*

\_\_\_\_\_  
*Date of Birth*